

Message Text

UNCLASSIFIED

PAGE 01 MADRID 03084 211647Z

ACTION EB-08

INFO OCT-01 EUR-12 EA-12 ISO-00 SP-02 USIA-15 AID-05
NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 H-02 L-03 PA-02 AGRE-00 /117 W
-----072840 220001Z /70

R 211639Z MAR 78

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 3939

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

UNCLAS MADRID 03084

AMEMBASSY BRUSSELS AND USEEC

AMEMBASSY PARIS AND USOECD

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E.O. 11652: N/A

TAGS: EINV, EIND, EFIN, SP

SUBJECT: RELAXATION OF LIMITS ON DIVIDEND REPATRIATION

REF: MADRID 1480

1. GOS ROYAL DECREE-LAW #3, DATED JANUARY 4, 1978, WHICH EXTENDED LIMITS ON CERTAIN INCOME (SUCH AS INCOME FROM URBAN RENTALS, PARTICIPATION OF THE BOARDS OF DIRECTORS AND COMPANY MEMBERS IN THE PROFITS OF COMPANIES) WAS PROMULGATED ON JAN 10. SIGNIFICANTLY, THIS DECREE DID NOT EXTEND THE LIMITATION ON THE DISTRIBUTION OF DIVIDENDS, WHICH WAS REQUIRED BY A PRIOR LAW, DL 18 OF OCTOBER 8, 1976

2. LIMITATION ON DIVIDEND DISTRIBUTION, WHICH WAS IMPOSED AS INVESTMENT -STIMULATING MEASURE, WAS APPLIED FULLY TO FOREIGN-OWNED FIRMS, WHERE IT ACTED AS LIMIT IN PROFIT REPATRIATION. LIBERALIZATION REMOVES A BARRIER OF CONSIDERABLE PREOCCUPATION TO POTENTIAL NEW FOREIGN INVESTORS. AT THE SAME TIME THE ABSENCE OF THIS BARRIER WILL ALLOW EXISTING FOREIGN-OWNED FIRMS TO REPATRIATE PROFITS THEY WERE FORCED TO INVEST (OR SAVE) DURING THE PAST 15 MONTHS. STABLER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPATRIATION, ECONOMIC CONDITIONS, NATIONALIZATION, CAPITAL FLOWS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MADRID03084
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780125-0278
Format: TEL
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780343/aaaabkea.tel
Line Count: 79
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 42d060c3-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 MADRID 1480
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3257433
Secure: OPEN
Status: NATIVE
Subject: RELAXATION OF LIMITS ON DIVIDEND REPATRIATION
TAGS: EINV, EIND, EFIN, SP
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/42d060c3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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